

Jean P. Sagouspe
Family Farmer
Los Banos, California

Testimony
Before the Subcommittee on Water and Power
Committee on Natural Resources
United States House of Representatives

*The Immediate Federal and State Role in Addressing Uncertain Water Deliveries for
California and the Impacts on California Communities*
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Madam Chairwoman and members of the Subcommittee, my name is Jean P. Sagouspe, and I am a farmer on the westside of the San Joaquin Valley. I have been farming in the Valley my entire adult life. I also am the President of Westlands Water District, and I serve as a Director and Vice-Chairman of the San Luis & Delta-Mendota Water Authority. Prior to being elected to the Westlands Board of Directors, I was on the Board of Directors of the San Luis Water District, where I served as President of the District. I have also served as President of the Central Valley Project Water Association and the Family Farm Alliance, and as a Director and Vice-Chairman of Calcot, Ltd., a cotton marketing cooperative.

At the outset, I want to state how important it is that the Chairwoman decided to conduct this oversight hearing on an issue that is critical to the economy of the state of California. Today, the State of California is facing a water crisis. Like so many other crises, this crisis is a result of a failure of leadership and a failure to take action. Farmers on the westside of the San Joaquin Valley have known for some time that we were facing a looming disaster. Our representatives have appeared before this Subcommittee on numerous occasions to describe the water supply losses that we were suffering and the impacts of those water supply losses on farmers and small westside communities. But up until now the crisis surrounding water supplies has affected primarily the westside of the San Joaquin Valley. Now, however, because of the new restrictions placed on operations of Central Valley Project and State Water Project Delta pumping plants by the District Court, the effects of the crisis are going to extend to major urban areas in the San Francisco Bay area and southern California. There are already press accounts about southern California cities informing builders that the cities may not be able to meet water demands created by new construction. From my perspective, this is a good thing; not because I want others to experience the economic disruption that the westside of the Valley has experience over the last sixteen years, but because crisis appears to be the only catalyst for action.

If an uninformed person were to read the newspaper stories about the recent court decision, he would be left with the impression that prior to the court's order nothing had been done to protect the smelt. Of course, this is not the case. Under prior biological opinions and the Environmental Water Account numerous restrictions were imposed on the operations of CVP and SWP to protect the Delta smelt, and although I cannot say with precision how much water was dedicated to the protection of this species, I know over the last ten years it is well in excess one million acre-feet. I know this because much of that water, indeed more than half, would have been supplied to me and other farmers on the westside of the San Joaquin Valley if the pumping foregone at the Jones or Banks pumping plants for the protection of the smelt would have gone forward under normal project operations. I am truly saddened that the dedication of this water and the hundreds of millions of dollars spent to protect the Delta smelt have done nothing to prevent this crisis.

I have come to the realization that there exists very little sympathy for the effect on water supply shortages on farmers. In fact, there may be little to be sympathetic about because farmers on the westside of the Valley are adaptable, and although our costs for water

have increased significantly, we have adjusted. We have changed our cropping patterns to crops that can support the higher cost of water and innovated in many ways to cope with a world greatly destabilized over the last sixteen years. The reality is that, with a few exceptions, the farmers will survive. However, chronic water supply shortages affect some groups, particularly farm workers that are less adaptable than the farmers. The history of my farming operations is a good example. In preparing this testimony I reviewed records from my farming operations from 1988 through the present. The results of my review were quite startling, though not surprising. I knew the general trend, but I never examined the detail. The following is the history of my farm's size and the number of people I employed:

| Years | Acres Farmed | Labor | |
|---------|--------------|-------|---------|
| | | Peak | Average |
| '88-'92 | 8000 + | 150 | 86 |
| 1998 | 5000 + - | 110 | 51 |
| 2002 | 3500 + - | 75 | 35 |
| 2005 | 2700 + - | 50 | 20 |
| 2007 | 1800 | 35 | 15 |

Although Westlands has not conducted a comprehensive survey, information provided by farmers in the district indicates that they have laid-off about 20% of their employee in response to the water supply shortages created by the District Court's recent decision. In addition, these farmers are offering reduced benefits to the workers they continue to employ, and the farmers are deferring investments in durable goods.

I would now like to turn to the questions that were posed in the Subcommittee's invitation to testify:

What do you see are the respective roles of the federal and state governments and other entities in dealing with the immediate impacts of the recent court order?

I said at the beginning of my testimony that the water crisis we are facing is the product of inaction. The United States Fish and Wildlife Service is responsible for some of that inaction. Since the Delta smelt was listed, virtually all of the efforts to protect and recover the species have been focused on the operations of CVP and SWP. Despite near universal agreement that the degree to which CVP and SWP operations affect smelt abundance is unknown and that there are numerous other factors that limit smelt abundance, nothing has been done to address those other factors. The Fish and Wildlife Service must begin to address those other limiting factors if there is to be any hope of recovering the species and restoring our water supply. In addition, the Fish and Wildlife Service should be directed to re-examine the prior restrictions on CVP and SWP operations to determine whether those restrictions are having any beneficial effect on the species' abundance. On an annual basis, hundreds-of-thousands of acre-feet have been dedicated to protecting the smelt, with no apparent benefit. If previously imposed restrictions on operations of the CVP and SWP are not benefiting the smelt, the

restrictions should be abandoned. The approach to date has been to layer more and more restrictions on the projects' operations in the hope that these additional restrictions will achieve the desired result. Albert Einstein once said: "The definition of insanity is doing the same thing over and over again and expecting different results." The Fish and Wildlife Service needs to ask itself if this applies to its efforts to protect the smelt from extinction.

What near-term action should water providers and water users take to address decreased water availability?

I do not feel that it is my place to tell other agencies what they should do to address decreased water availability. I can report, however, on what Westlands Water District has done and will continue to do. Westlands and the farmers it serves invest tens-of-millions of dollars annually on water conservation programs. For instance, the District has a revolving loan program under which money is made available, at low interest rates, for farmers to implement irrigation improvement programs, including the installation of buried drip irrigation tape and computer controlled irrigation systems. In addition, the District has fallowed in excess of 20% of the land within its boundaries to reduce the demand for water, and it will expand its land fallowing program. Farmers in the District also fallow land on a temporary basis to stretch their available supply of water. The District and individual farmers also are investing in conjunctive use and groundwater banking programs, and we will continue to rely on water transfers. With respect to transfers, it would be very helpful in addressing the immediate water supply impacts of the District Court's decision if the Bureau of Reclamation and the Department of Water Resources were to make more flexible in their administration of transfers and wheeling of transfer water. Time consuming approval processes for transfers and wheeling agreements impedes our ability to address shortages through transfers.

How will state and federal agencies integrate recommendations of the Delta Vision process with the Bay Delta Conservation Plan and the pending biological opinion for the Long- Central Valley Project Operations Criteria and Plan?

The Delta Vision process and Bay Delta Conservation Plan process are very important to the long-term future of the Delta and California's water supply. It is worth noting that the preliminary work of both the Bay-Delta Blue Ribbon Task Force and the Steering Committee for the development of the BDCP has concluded that isolating the conveyance of CVP and SWP water from fish habitat is our best hope of recovering the smelt and restoring water supply. However, it will not be practical to integrate the ultimate recommendations of these processes into the new biological opinion because that opinion must be completed in September 2008, before the recommendations from either of these processes will be final. In addition, it is my understanding that the purpose of the biological opinion is to evaluate whether the proposed operations of the CVP and SWP will cause jeopardy to the smelt or adversely modify the species' critical habitat. Given the limited scope of the biological opinion, it might not be appropriate to incorporate recommendations of the broader Delta Vision process or the broader BDCP into the pending biological opinion. Conversely, once those processes are complete, the CVP and

SWP will certainly want to modify their operations to account for recommendations of the Delta Vision and BDCP, and at that time it may be necessary to reconsult on the projects' operations.

What impacts do you anticipate from this court order and how will you adapt to these impacts?

From a water supply perspective, I am informed that the additional restrictions on CVP and SWP operations ordered by the District Court will cut allocations to CVP south-of-Delta agricultural water service contractors by an additional 15 – 30%. This additional reduction will increase the cost of water delivered by Westlands from approximately \$85 to \$120 per acre foot. Because my farm is devoted exclusively to permanent crops and I have access to good quality groundwater, I will rely on that groundwater to make up the difference between what can be supplied by the Bureau of Reclamation and the demands of my orchards. Other farmers, who do not have access to groundwater, will obtain supplemental water through transfers, water banks, and ground fallowing.

In closing, I would like to again thank you Chairwoman Napolitano for holding this hearing and allowing me to testify on this important subject. I would be happy to answer any questions.